



**United States Attorney's Office  
District of Columbia**

**Channing D. Phillips  
Acting United States Attorney**

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## **PRESS RELEASE**

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### **Former Owner of DC Live, Platinum, and H2O Nightclubs Found Guilty of Tax Evasion**

WASHINGTON - The former owner of the DC nightclubs DC Live, Platinum, and H2O, Abdul Karim Khanu, was found guilty today by a federal jury today of tax evasion, announced Acting U.S. Attorney Channing D. Phillips, John A. DiCicco, Acting Assistant Attorney General for the Tax Division, U.S. Department of Justice, and Eileen Mayer, Chief, Internal Revenue Service, Criminal Investigation Division. The jury found Khanu, 42, of Potomac and Bowie, Maryland, guilty of two counts of evasion of his personal tax returns for the years 2002 and 2003. The Honorable Colleen Kollar-Kotelly, of the U.S. District Court for the District of Columbia, presided over the trial and will sentence Khanu on a date to be set by the court. Khanu faces a statutory maximum of ten years' imprisonment for his convictions, although the actual sentence range will be guided by the U.S. Sentencing Guidelines.

According to the facts presented at trial, Khanu owned and operated two nightclubs on F Street in the District, named DC Live (and later VIP) and Platinum, from at least 2000 through 2003. Khanu skimmed millions of dollars of cash from these clubs to pay employees wages in cash, and for his personal use. Search warrants executed at the defendant's home yielded \$1.9 million in cash as well as numerous records reflecting a double set of books and records. The government presented evidence at trial showing that Khanu's use of cash far exceeded his known, legitimate sources, and that Khanu evaded the payment of taxes on millions of dollars in revenue.

"Every citizen, regardless of his or her station in life, is required to pay taxes," stated Acting U.S. Attorney Phillips. "Mr. Khanu was legitimately earning millions of dollars, yet saw fit to evade the taxes he legitimately owed."

"To maintain faith in our nation's tax system, honest taxpayers need to be reassured that everyone is paying their fair share," said Eileen Mayer, Chief, Internal Revenue Service Criminal Investigation Division. "The IRS-Criminal Investigation Division, together with the Department of Justice, will investigate and prosecute those who violate our tax system."

"Taxpayers who seek to evade paying their fair share of taxes, whether by skimming cash

from their businesses or by other illicit means, will be held accountable,” said John A. DiCicco, Acting Assistant Attorney General of the Justice Department's Tax Division. “As this case shows, those who hide and conceal their income will be investigated and prosecuted by the IRS and Department of Justice.”

In announcing the guilty verdicts, Acting U.S. Attorney Phillips, Acting Assistant Attorney General DiCicco, and IRS CI Chief Eileen Mayer commended the investigative efforts of the IRS Special Agents in the case, Mary Ann Veloso and Ron Hudson and Revenue Agent Fred Lewis. They further praised paralegals and support staff from the U.S. Attorney’s Office, including Anne Riopelle, Diane Hayes, Sarah Reis, Tasha Harris, Carolyn Cody, Jamasee Lucas, Maggie McCabe and Mary Treanor, who were instrumental in the effort. Finally, they commended Assistant U.S. Attorneys John Roth and Howard Sklamberg, as well as Department of Justice Tax Attorneys Michael Vasiliadis and Patrick J. Murray, who investigated and tried the case.

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